

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1675

January 30, 2022

SUMMARY OF BILL: Prohibits Metro Nashville from allocating certain hotel privilege tax revenue designated for “direct promotion of tourism” to other local government functions and activities, including the payment of debt service. Defines “direct promotion of tourism”.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 7-4-102 authorizes Metro Nashville to impose a privilege hotel occupancy tax at the total rate of six percent.
- Pursuant to Tenn. Code Ann. § 7-4-110(b)(1), one-third of the revenue raised from the one percent portion of the privilege tax authorized pursuant to § 7-4-102(b)(2) must be used for the “direct promotion of tourism” in the county.
- The proposed legislation defines “direct promotion of tourism” as tourism promotion activities exclusively by and through a competitively bid contract to an entity whose primary purpose is the direct promotion of tourism within the county. In addition, this legislation prohibits allocation of revenue generated by this one percent portion of the privilege tax from being used to fund a general government function or activity.
- Prohibiting Metro Nashville from using such tax revenue for other purposes and defining “direct promotion of tourism” will not result in a significant fiscal impact to the local government.
- The legislation will have no impact on total tax revenue generated by Metro Nashville.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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